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INTERNAL SECURITY
SECTION
REGISTRATION UNIT

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

SUPPLEMENTAL STATEMENT

Pursuant to Section 2 of the Foreign Agents
Registration Act of 1938, as Amended

OCT 1 1979

For Six Month Period Ending _____
(Insert date)

Name of Registrant CORPORACION DE FOMENTO DE LA PRODUCCION Registration No. 401

Business Address of Registrant One World Trade Center - Suite 5151
New York, New York 10048

I - REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in Item 1.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name	Position	Date Connection Ended
Sergio Undurraga	President	7-31-79

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? ☒ Yes No ☐

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
<u>MARTIN</u> LABORDE	364 Dogwood Way Mountainside, N.J. 07092	Chilean	Vice President	4-15-79
JOAQUIN PRIETO	490 Pine Brook Blvd. New Rochelle, N.Y. 10804	Chilean	President	8-1-79

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal? Yes ☐ No ☒

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period?

Yes ☐ No ☐

If yes, furnish the following information:

Name	Position or connection	Date terminated
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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity?

Yes ☐ No ☒

If yes, furnish the following information:

Name	Residence Address	Position or connection	Date connection began
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II - FOREIGN PRINCIPAL

8. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of Termination

-
9. Have you acquired any new foreign principal¹ during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

-
10. In addition to those named in Items 8 and 9, if any, list the foreign principals¹ whom you continued to represent during the 6 month reporting period.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

III - ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

We handled a) the procurement of capital goods and its shipment for enterprises under Chilean government sponsorship and interest, which C. & F. value for this reporting period was of approximately \$9,910,519.34 representing 7,761.53 tons shipped. b) The servicing of loans under foreign credit arrangements of principal and interest, which during this period was of approximately \$47,293,000.-

¹ The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE through its "Chile Economic News" monthly newsletter provides information about the Chilean Economy. The most frequent subjects are finance, foreign investment, agro-industrial developments and trade. Also, reproduction of statistical ~~related~~ tabulations related to the Chilean economy.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals?

Yes ☒ No ☐

If yes, describe fully.

A speech given by Sergio Undurraga, president of Corporación de Fomento de la Producción's New York Office at a luncheon given in his honor by the North American-Chilean Chamber of Commerce, Inc. in New York City on June 12, 1979. (Copy attached).

² The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS - MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
See details in Exhibit No. 14(a) attached			\$ 632,502,000.-

Total \$ 632,502,000.-

14. (b) RECEIPTS - THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁴ other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Name of foreign principal</i>	<i>Date received</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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³ A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

⁴ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS - MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
See details in Exhibit No. 15(a)			\$ 998,807.02

Total	\$ 998,807.02
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15. (b) DISBURSEMENTS - THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value⁵ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS - POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value⁵ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office? Yes ☐ No ☒

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
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V - POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

CORPORACION DE FOMENTO DE LA PRODUCCION DE CHILE

⁵ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda?
Yes ☒ No ☐

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

BANCO CENTRAL DE CHILE - \$25,000.- for the current period.

(Six month period ending October 1, 1979)

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☐ Radio or TV broadcasts ☐ Magazine or newspaper ☐ Motion picture films ☐ Letters or telegrams
articles
☐ Advertising campaigns ☐ Press releases ☒ Pamphlets or other ☒ Lectures or
publications speeches
☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☒ Public Officials ☒ Newspapers ☒ Libraries
☒ Legislators ☒ Editors ☒ Educational institutions
☒ Government agencies ☒ Civic groups or associations ☐ Nationality groups
☐ Other (Specify) _____

21. What language was used in this political propaganda:

☒ English ☐ Other (specify) _____

22. Did you file with the Registration Section, Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period?

Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act?

Yes ☒ No ☐

VI - EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A⁶ Yes ☐ No ☐

Exhibit B⁷ Yes ☐ No ☐

If no, please attach the required exhibit.

- (a) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period?

Yes ☐ No ☐

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

⁶ The Exhibit A, which is filed on Form OBD-67 (Formerly DJ-306) sets forth the information required to be disclosed concerning each foreign principal.

⁷ The Exhibit B, which is filed on Form OBD-65 (Formerly DJ-304) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C⁸, state whether any changes therein have occurred during this 6 month reporting period.

Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements, been filed by all of the persons named in Items 5 and 7 of the supplemental statement?

Yes ☐ No ☒

If no, list names of persons who have not filed the required statement.

MARTIN LABORDE

JOAQUIN PRIETO (as President)

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)


Martin Laborde

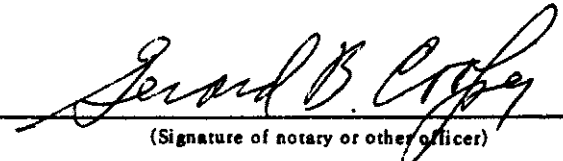
Vice President

CORPORACION DE FOMENTO
DE LA PRODUCCION

Subscribed and sworn to before me at One World Trade Center, 5151, New York, N.Y. 10048

this 30th day of October, 1979

GERARD B. COOPER
Notary Public, State of New York
No. 24-0754125
Qualified in Kings County
Certificate Filed in New York County
Commission Expires March 30, 1981


(Signature of notary or other officer)

⁸ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause shown upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, Department of Justice, Washington, D.C. 20530.

North American-Chilean Chamber of Commerce Luncheon

The following are highlights of remarks by Sergio Undurraga, president of Corporación de Fomento de la Producción's New York Office at a luncheon given in his honor by the North American-Chilean Chamber of Commerce, Inc. in New York City on June 12, 1979.

It has been four years since I came to New York and when the time comes to say goodbye, one can only feel a deep and sincere emotion.

I have made many friends - faced many positive and also negative circumstances, and have had many moments of success and also some of difficulties and defeat.

For me, "The Big Apple" has always been one of the great dynamos of the American society; exciting and demanding and full of life and stimulation.... Perhaps nowhere else in the world does one gain such a constant and very personal impact.

The United States, in spite of all the talk about its decline, is a very live and creative society. It is a multi-polar society so that when one sees problems in one area, another sector is booming or emerging. To be able to live with such an experience is in itself a real privilege. Twice in my life -- under different circumstances -- I have lived in this country, and I have learned to love it, to appreciate it, and also to understand it, including its limitations.

It is only fair to say that in the last several years my country -- Chile -- has suffered from such limitations, so that it has not been able to fully benefit from the positive contributions which the United States offers to the Western World.

My position in CORFO was one in which I had to do what I could to produce better understanding, and to open -- and keep open -- channels of communication in both directions. Faith in my country has been restored in many sectors of American Society, especially in the economic area. And I am particularly proud of the role that CORFO and my associates played in this respect.

1978 has been a year of great changes and challenges to the Western World. The advances toward a Peace Agreement in the Middle East; the emergence of China as a fully recognized power. More recently, the fall of the Shah, and the trend toward the stagnation of the world economy are some of the main events that are projecting their light and shadow on the present and future years.

The last two events are viewed by some as eventually affecting Chile.

I have been asked many times: "How can your country face a new deterioration in the world economy?"

"What is the Chilean political evolution going to be?"

Let me focus on these two issues, because both are relevant to our relations and provide an opportunity to peer ahead into the future.

It is my impression that the world economy is in a period of slow growth. The next decade will be different from the previous one, where rapid growth and expanding trade were the main features. Now, inflation, cyclical imbalances of trade -- energy shortages -- protectionist pressures -- will hinder economic expansion in many big nations, including this country.

This doesn't offer a propitious picture for Chile, but there are some points that will work in our favor. On the other hand, the copper surplus created by the 1974 recession has disappeared and the market is more or less in balance. The low prices in the past forced a very low level of investment in the copper industry so that in the immediate future, the supply will not completely satisfy the needs of a moderate international growth. Any important copper project needs about seven years to mature. Therefore, the next cycle of copper that seems to be emerging from the present one will be positive for Chile.

On the other hand, Chile developed its non-traditional ex-

ports at a very fast pace in a period of contraction in the world economy and our price system was able to compete successfully at international market levels. Our exports are associated with areas where Chileans have strong comparative advantages, and most of these resources are just beginning to be exploited.

Last, but not least, our energy balance may improve in the future. The Magellan oil and gas, the continental gas, the hydroelectrical development and the use of non-conventional sources are actively promoted and a huge pipeline of projects is being lined up.

The average level of growth -- close to 7% per year -- which Chile has been experiencing since 1976, will continue in 1979 and it is highly possible that this pace will continue in 1980.

As you all know, the magic 7% compounded duplicates in ten years. Therefore, we are already halfway along the road to duplication of our G.N.P.

Rapid economic growth will help to cure past problems and establish a sound basis for accelerated social transformation and widespread wellbeing.

But economic progress by itself will not solve all of the many problems that Chile suffered in the last decade. In

fact, my country experienced a deep and convulsive crisis. Around the 60's the political system acquired a stern rigidity and ideology replaced the traditional good sense that made Chile a stable and progressive democracy in Latin America.

The basic consensus that moved Chile for a century and a half was broken and replaced by division and bitterness. A sick society, unable to grow and progress, paralyzed by internal tensions, was easily seduced by false promises of magical change and was deeply penetrated by forces alien to the basic culture and national spirit.

It is not well understood abroad and it is usually concealed that in 1973 Chileans were talking among themselves of "civil war". Prominent national leaders tried to capitalize on the fear of a civil war to further their own political purposes.

The complete fabric of Chilean society was in disarray and the future of the nation was in serious jeopardy.

In September 1973 the military forces decided to move in order to avoid a deeper crisis.

Since then the country has been ruled by the Junta under the leadership of President Pinochet.

It is only fair to say that the events of 1973 were not forced by a military "caudillo", but by the objective factors of the political and social environment -- to use a marxist expression in vogue during those days -- and that the military expressed their commitment to solve the urgent problems of the day, and to restore the basic tradition of democratic government when the situation of the country made this possible.

Since then until now, an impressive and successful economic restructuring has taken place.

Internal peace has been achieved.

The normalization of general activities, including those of the press, has been gradually reestablished.

Labor union activities were restored this year and collective bargaining will resume during the next few months.

Slowly but certainly, the country is moving towards the adoption of a new political structure.

A new Constitution is under consideration and will be voted on next year.

The projected constitution reaffirms the traditional separation of powers, establishes the existence of a Senate and Chamber of Deputies, and calls for the popular elec-

tion of the Chief Executive.

I am not an expert in political science, nor am I a lawyer who can explain the many details of this subject, but there are two matters that have attracted my attention. One is that there is a proposal to modify the electoral system from the multiple representation for districts to a single representative for a district. This new formula will be applied as is done in France; thus, the tendency to have many political groupings will be replaced by a move toward a two-party system, and will reinforce the center as the mainstream of public opinion.

There will be a second election among the two relative majorities for the President if no candidate gets the absolute majority in the first balloting.

The other important aspect refers to a transition period of several years, during which a Parliament will be appointed by the Executive Power and later replaced by a fully popularly elected Parliament. The transition period will allow the opening of the political system without immediate return to elections, in order to avoid a rapid heating up of the political atmosphere, and give time for a general discussion of options and alternatives without the pressure of immediate elections.

The important fact is that the steps already taken, and those announced for the near future, represent a clear trend toward a democratic system with authorities elected by popular vote.

I recognize that opinions about the speed of the process or the implantation of it may vary, or that there are many like the New York Times editors who won't believe until they see first but it should also be recognized that the normalization process is on the way and that there is an open debate on these matters in Chile.

What will be the impact of these changes on the present economic policies?

As you may notice, I did not bring a crystal ball with me. But with my training in the economic field, I focus the problem under certain assumptions.

FIRST I believe there is a natural common sense in my country fellowmen and that this will lead toward the election of governments which will not govern under unreasonable orientations.

SECOND I believe that history has taught us that extremism is not a good counselor and this will strongly influence the political developments.

If these assumptions are fair, let me quickly review the main changes and facts of the Chilean economy:

FOREIGN TRADE

The extraordinary development of non-copper exports has completely changed the economic environment. We have learned that we can export a wide variety of goods and products.

It would be unreasonable to presume that any future government would pursue a policy to change Chile back into a mono-exporting country.

Therefore, a sound exchange policy should follow to make possible the continuous growth of non-copper exports.

The economic influence of non-copper exporters will grow because they represent a vast complex of industries and activities that involve all the economic structures and provide employment to half a million people.

And if we export successfully, we will be able to finance our imports. Accordingly, the possibility of keeping the economy open to foreign competition will increase as the export sector of the economy gets stronger. Even the most bitter critics of the present economic policy agree on this point, and they feel that with small adjustments the policy should be maintained.

It is worthwhile to note that criticism of the foreign trade policy has been focused more on the opportunity and timing of the measures than on its contents.

Ours being a small economy foreign competition is needed to avoid monopolistic practices and to successfully implement a market economy for the benefit of the majority.

INFLATION

We have suffered one of the worst inflations in modern history.

We learned the hard way that inflation does not help economic development as previous generations used to believe. On the contrary -- the final results of inflation are stagnation, injustice and social chaos.

We have learned that in order to control inflation, fiscal restraint and cautious monetary policies are needed. It is difficult to think that in the future anybody will propose and promote openly an inflationary policy and, as the degree of monetary stability increases, the chances are that future governments will remain very conscious about this area.

TAXATION

The tax reform, started in 1974 and completed in 1976, eliminated exemptions and tax loopholes and transformed the

sales tax into a "value-added tax", cutting down evasion and favoring economic efficiency instead of tax efficiency which encouraged vertical integration.

The inflationary effects on taxes have been taken into account through indexation -- avoiding injustices, promoting a reasonable protection of the real capital of enterprises, and thus indirectly promoting internal savings.

Taxes on general income escalate rapidly to promote a better distribution of income, but shareholders may deduct proportionately the taxes paid by corporations. Thus, small stockholders are encouraged to participate in large companies and a better distribution of capital is achieved.

And, last but not least, taxes on labor have been reduced.

It is one of the lesser known Chilean paradoxes that what some called the "capitalistic Junta regime" is collecting more taxes, both in real terms and as a proportion of the GNP, than the previous -- supposedly progressive -- marxist regime.

There has been very little criticism of the tax policy and it is reasonable to presume that the basic structure will remain for a long period of time.

I am optimistic with regard to the size of the public sec-

tor. A strong sense of efficiency and a cost-benefit criteria has reached public opinion and a better understanding that there is no such thing as a "free sandwich" has begun to build up in many minds in Chile.

CAPITAL MARKET DEVELOPMENT

In this area, Chile has experienced a miraculous growth and it is one of the most debated aspects of the present policy. But criticism is focused mainly on the level of the rate of interest charged by financial institutions, and rarely refers to the rate they pay, which is also very high. As an economist, my impression is that the process of correction of the interest rate is complex because the rapid growth of savings has been followed by a strong demand for resources, both to recover past financial losses of capital and to sustain a very rapid rate of economic growth.

It is reasonable to think that rates will decline in the future and long-term financing will emerge when some other institutional changes take place such as those now under study in the social security sector.

The financial sector has been in the process of consolidation during the last two years. Because many thousands of persons have put their savings in this area, it is reasonable to assume that any changes in policy will have to be waged

against the interest of the savers. Any movement to place banking under state control would have such a serious impact on the general economic activity that we can look forward to moderation and pragmatism in future governments.

SOCIAL SECURITY

The social security system has been a traditional nightmare and since the early sixties the country has debated a necessary reform to eliminate serious injustices and privileges. The social security reform that has been adopted has eliminated the distinction between white collar workers and blue collar workers, has suppressed special privilege groups, and has established basic general rules fair to all sectors.

On the economic side, it has reduced the costs which in the long run represented a heavy tax on the use of labor, resulting in more widespread employment and more labor intensive activities. There is at the present time a great interest in developing Pension Funds, similar to those existing in the United States. These entities will open the institutional market to long-term financing; channeling an important stream of savings to productive use and incorporating labor to the property and capital market, thereby furthering a better distribution of wealth.

For many years workers have sought these reforms and it is more than reasonable to assume that the reforms will re-

main under future governments.

In general the economic change in my country has been "the revolution of efficiency" that has reached many sectors including government, private companies, and public services.

It has been a kind of "green" revolution in the use of productive resources and is there to stay for a while.

GENERAL SOCIAL ASPECTS

The completion of agrarian reforms, the division of land and the assignment of property to several thousands of farmers (campesinos) will provide a basic social structure which will be a stabilizing factor, both socially and politically.

Other social policies such as those oriented to guarantee education to the very poor, programs to control infant mortality, population growth and malnutrition, are deeply embodied in our history.

Those policies have a long-lasting effect on social structure and their results are cumulative in time. Step by step a process of social modernization is presently going on in Chile, and I want to emphasize again that public expenditures for social purposes receive over 52% of the fiscal budget.

* * * * *

These and many other reforms that have been implemented are, as I have said, deeply modifying the economic and social structure of Chile.

I honestly believe they are long-lasting because they have improved the lives of many and are based on sound and logical premises.

Chile is growing at a rate of 7% per year; national income will duplicate in ten years and per capita income will duplicate in 14 years. It is worthwhile to note that under the old economic system duplication of per capita income took Chile 40 years.

Rapid progress has not been achieved without effort nor without problems. There are two areas of concern: one concerns employment, where in spite of an annual increase in employment on the order of 5% per year, the country still faces a high rate of unemployment due to a rapid incorporation of new people into the labor force. Solution of this problem will require time, because the increase in efficiency and competitiveness of the economy has been achieved through a reallocation of resources, including labor, that is still not complete.

The second problem relates to the previous one and is the

low level of investment.

Latest figures show that investment in the productive sector -- such as equipment and non-housing construction -- in 1978 reached the highest levels in history, but others, such as housing and public works, that are labor-intensive are lagging. Government investment in these sectors has been resumed gradually according to the actual possibilities of the budget, which is constrained because of the anti-inflationary policies. But as the economy expands, taxation yields increase, and more resources are going to be allocated in the future.

In reflecting on the overall picture, I wish to call your attention to the fact that Chile is one of the few recent economic success in the Third World in this decade, and this success has been achieved not through magic formulas but by hard work, sacrifice, discipline and determination. We are not following policies long advocated by "poor country saviours", but instead we are applying what we have found is valuable in the historic development of leading industrial nations. And curiously enough we are highly criticized for doing so.

It is my impression that for your country -- the United States of America -- the emergence and subsistence of market economies in the world is extremely important, espe-

cially in the so-called Third World. Market economies are compatible among themselves, as your trade with Europe and Japan clearly shows, and the next economic period is being called the ERA OF SCARCE RESOURCES -- where each country will become more dependent on others.

The present government of Chile is an authoritarian government. This is the rule of thumb in the Third World. But we are singled out as something very special, notwithstanding the fact that our true reality is much better than that of the majority of those who criticize us. We do not make a philosophical principle of the authoritarian government, nor do we believe it is a panacea. On the contrary, the highest authorities in our government view themselves as transitory and the Chilean people believe it was merely an historical accident of our own making that triggered the 1973 crisis. And this is why, as a nation, we are consciously and honestly trying to repair it and to overcome it. There is no popular hurry because the majority feels that real progress can be attained only step by step.

When one looks at your history and focuses on the Civil War, one finds that normalization was not achieved with the fall of Atlanta; nor that the election that followed was exemplary. Then why this inability to understand

other countries' similar troubles?

Between our two countries there is a difficulty in understanding differences and in adopting historical perspectives that would help build a better and more constructive relationship. The fault is not only ours or yours, but is of both sides and I do hope that instead of maximizing differences, the future will bring the opportunity to look at the convergence of our long-lasting common interests.

This Chamber of Commerce is a very appropriate tool for that purpose and I wish to pay a sincere tribute to those whose personal efforts have made this initiative possible.

And with a very deep-felt and sincere emotion I would like to thank all of you, dear friends, for the many attentions and courtesies I have received, for the support and understanding of my duties, and for the open and fresh mind with which you have looked at my country.

Y si vas para Chile If you go to Chile, as the song begins, I want you all to remember that you have a friend in Santiago who will always be happy to welcome you there.

Thank you again.

CORPORACION DE FOMENTO DE LA PRODUCCION
NEW YORK OFFICE
E X H I B I T 14 (a)
SCHEDULE OF PAYMENTS BY SOURCE OF FUNDS
APRIL 1979 THROUGH SEPTEMBER 1979
(in Thousands of U.S. Dollars)

MONTH	SOURCES OF FUNDS	P A Y M E N T S			
		PAYMENT OF EXTERNAL DEBT	N.Y. OFFICE EXPENSES	CIF VALUE OF PURCHASE ORDERS, TECHNICAL ASSISTANCE & OTHERS	TOTALS
APRIL	CORFO - CHILE	4,867	134	281	5,282
	AFFILIATES & OTHER CHILEAN ENTITIES	423	51	32,556	33,030
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	140	140
	APRIL TOTALS	5,290	185	32,977	38,452
MAY	CORFO - CHILE	984	119	974	2,076
	AFFILIATES & OTHER CHILEAN ENTITIES	27	-0-	75,915	75,942
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	263	263
	MAY TOTALS	1,011	119	77,152	78,281
JUNE	CORFO - CHILE	8,908	71	496	9,476
	AFFILIATES & OTHER CHILEAN ENTITIES	279	40	56,234	56,554
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	11	11
	JUNE TOTALS	9,187	111	56,741	66,041
JULY	CORFO - CHILE	16,505	129	828	17,462
	AFFILIATES & OTHER CHILEAN ENTITIES	-0-	84	105,088	105,172
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	71	71
	JULY TOTALS	16,505	213	105,987	122,705
AUGUST	CORFO - CHILE	1,715	148	807	2,670
	AFFILIATES & OTHER CHILEAN ENTITIES	-0-	27	123,130	123,157
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	9	9
	AUGUST TOTALS	1,715	175	123,946	125,836
SEPTEMBER	CORFO - CHILE	13,495	108	1,119	14,722
	AFFILIATES & OTHER CHILEAN ENTITIES	90	-0-	186,375	186,465
	INTERNATIONAL FINANCIAL INSTITUTIONS	-0-	-0-	-0-	-0-
	SEPTEMBER TOTALS	13,585	108	187,494	201,187
	TOTALS FROM APRIL 1979 TO SEPT. 1979	47,293	911	584,297	632,502

SECRETARIAL SERVICES & OTHER

EXHIBIT No. 15 (b)

		1	2	3	4
		No. #			
4/3/79	EMBAJADA DE CHILE	4 - 35	2000 =		1
5/1/79	✓	5 - 23	1250 =		2
6/1/79	✓	6 - 12	1840 18		3
7/6/79	✓	7 - 61	1341 36		4
8/1/79	✓	8 - 5	1405 60		5
9/1/79	✓	9 - 22	1458 68		6
			9,348.82		7
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SUMMARY

SALARIES AND OTHERS OFFICE

OVERHEAD EXPENSES

SECRETARIAL SERVICES AND OTHERS

FARES AND FREIGHT

PUBLIC RELATIONS

PRINTING

TRAVEL EXPENSES

\$ 916841.25

4345.82

7945.25

7447.11

46,212 =

10,915.59

998807.02

FARES AND FREIGHT

		1	2	3	4
		Uo. #	\$		
4/9/79	EDUARDO SCHISMAN	H - 71	84 =		1
4/18/79	THE HERTZ CORPORATION	H - 115	13625		2
4/19/79	VILLAGE TRAVEL SERVICE	H - 119	700 =		3
✓	COLUMBUS INT'L. TRAVEL	H - 124	2274 =		4
4/23/79	AMERICAN EXPRESS CO.	H - 135	589 =		5
5/1/79	COLUMBUS INT'L. TRAVEL	S - 12	292 =		6
5/7/79	AMERICAN AIRLINES	S - 56	42 =		7
5/25/79	COLUMBUS INT'L. TRAVEL	S - 162	838 =		8
6/5/79	EASTER ISLAND TRAVEL SERVICE	G - 44	1007 =		9
6/7/79	COLUMBUS INT'L. TRAVEL	G - 68	396 =		10
6/19/79	EDUARDO SCHISMAN	G - 134	88 =		11
7/19/79	COLUMBUS INT'L. TRAVEL	7 - 143	66 =		12
✓	AMERICAN EXPRESS CO.	7 - 148	88 =		13
8/4/79	AMERICAN AIRLINES	8 - 61	780 =		14
8/24/79	✓	8 - 173	223 =		15
9/21/79	JANE MASSANET	9 - 115	290 =		16
9/24/79	EDUARDO SCHISMAN	9 - 132	102 =		17
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PUBLIC RELATIONS

			1	2	3	4
			No. #	\$		
4/5/79	✓	B.H.C. DEVELOPMENT CORP.	4-44	402 37		1
✓		THE CLUB AT THE W.T.C.	4-48	291 89		2
✓		SYLVIA HORST	4-55	157 50		3
4/12/79		INHILCO INC.	4-98	97 20		4
4/23/79		AMERICAN EXPRESS CO.	4-135	35 =		5
✓		INHILCO INC.	4-140	824 50		6
5/1/79		SOAQUIN PRIETO	5-8	240 50		7
5/7/79		THE CLUB AT THE W.T.C.	5-51	566 03		8
5/10/79		AMERICAN EXPRESS CO.	5-94	136 74		9
5/14/79		THE CLUB AT THE W.T.C.	5-106	228 21		10
6/12/79		NORTH AMER. CHILEAN CHAMB. OF COMM.	6-84	100 =		11
6/15/79		THE CLUB AT THE W.T.C.	6-104	205 25		12
✓	✓	✓	6-117	138 75		13
6/19/79	✓	✓	6-131	167 82		14
7/19/79	✓	✓	7-145	283 83		15
✓	✓	✓	7-146	194 10		16
8/10/79	✓	✓	8-101	2 096 43		17
✓	✓	✓	8-102	103 63		18
✓		CORPORACION DEL ROBRE	8-103	40 =		19
8/17/79		AMERICAN EXPRESS	8-151	179 64		20
9/4/79		COMITE FIESTAS PATRIAS	9-25	300 =		21
9/11/79		EL CHACARERO RESTAURANT	9-62	105 40		22
9/13/79		OVERSEAS PRESS CLUB OF AMERICA	9-76	175 =		23
9/17/79		FOREIGN POLICY ASSOC.	9-96	35 =		24
9/20/79		THE CLUB AT THE W.T.C.	9-111	197 33		25
9/21/79		EMPRESA NAC. DEL PETROLEO.	9-114	22 =		26
9/26/79		RENAN BALLAS	9-145	61 50		27
9/27/79		NORTH AMERICAN-CHILEAN CHAMB. OF COMM.	9-158	30 =		28
9/28/79		AMERICAN EXPRESS CO.	9-174	26 49		29
				7,447.11		30
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PRINTING

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			Vo. #	\$		
4/20/79	FINE GRAPHICS INC.		4 - 148	7756.39		1
5/23/79	✓	✓	5 - 124	9134.19		2
6/25/79	✓	✓	6 - 155	1060 =		3
7/2/79	✓	✓	7 - 8	5837.10		4
8/3/79	✓	✓	8 - 56	12573.87		5
8/14/79	✓	✓	8 - 116	1280 =		6
8/21/79	✓	✓	8 - 140	1245 =		7
9/4/79	✓	✓	9 - 13	6040.50		8
9/24/79	✓	✓	9 - 123	1215 =		9
				46,212 =		10
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TRAVEL EXPENSES

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		VO. #	\$		
4/9/79	EDUARDO SCHISMAN	4-71	92 45		1
4/17/79	✓	4-10	900 =		2
4/23/79	AMERICAN EXPRESS CO.	4-135	195 52		3
✓	SERGIO UNDURRAGA	4-146	214 =		4
5/1/79	KAROLY DOLGOS	5-10	100 =		5
5/10/79	JOAQUIN PRIETO	5-89	600 =		6
✓	AMERICAN EXPRESS CO.	5-94	534 =		7
5/11/79	KAROLY DOLGOS	5-103	93 36		8
5/23/79	SERGIO UNDURRAGA	5-120	500 =		9
✓	EDUARDO SCHISMAN	5-142	120 =		10
5/24/79	JOAQUIN PRIETO	5-148	500 =		11
5/25/79	✓	5-169	88 =		12
6/5/79	✓	6-47	100 =		13
✓	SERGIO UNDURRAGA	6-48	100 =		14
6/12/79	AMERICAN EXPRESS CO.	6-87	871 06		15
6/18/79	ALEJANDRO PINO T.	6-123	1010 =		16
6/19/79	EDUARDO SCHISMAN	6-134	40 50		17
7/2/79	EASTER ISLAND TRAVEL SERVICE	7-5	859 =		18
✓	SERGIO UNDURRAGA	7-15	500 =		19
✓	✓	7-15	1235 =		20
✓	JOAQUIN PRIETO	7-23	347 39		21
7/10/79	COLUMBUS INTL. TRAVEL	7-126	418 =		22
7/10/79	AMERICAN EXPRESS CO.	7-148	539 54		23
7/24/79	MARTIN LABORDE	7-147	40 50		24
✓	ANGELO CARRERA	7-170	207 43		25
7/26/79	JOAQUIN PRIETO	7-181	36 50		26
8/6/79	ANGELO CARRERA	8-60	854 =		27
8/14/79	AMERICAN EXPRESS CO.	8-115	651 87		28
9/2/79	JAIME MASSANET	9-115	355 97		29
9/24/79	EDUARDO SCHISMAN	9-132	29 50		30
			10915 59		31
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SECTION A

The Department records list active short form registration statements for the following persons of your organization filed on the date indicated by each name. Please show below whether each person is still functioning in the same capacity directly on behalf of the foreign principal. If not, show date of termination.

Corporacion de Fomento de la Produccion
Reg. No. 401

		ACTIVE?		IF YES - ANY MAJOR CHANGES?		
		Yes?	No?	Yes?	No?	
Edgar Mahn	Filed 2/17/71 Director		X			
Mariano A. Pastor	Filed 2/19/74 President		X			
Ricardo Corssen	Filed 9/26/74 Vice President		X			1-1-79
Sergio Undurraga	Filed 3-29-75 President		X		X	7-31-79
Joaquin Prieto	Filed 4-23-76 Vice President	X		X (Now he is since		President 8-1-79
Isidoro Luis A. Palma	Filed 4-27-77 Asst. to the President		X			2-1-79
Jorge Fernando Claro	Economic Counselor to the Chilean Embassy		X			4-30-78
Martin Laborde	Filed 10-30-79 Vice President	X			X	

SECTION B

In addition to those persons listed in Section A, list below all current employees rendering services directly on behalf of the foreign principal(s) who have not as yet filed short-form registration statements. (Do not list clerks, secretaries, typists or employees in a similar or related capacity. If there is some question as to whether an employee has an obligation to file a short-form, please address a letter to us describing the activities and connection with the foreign principal.)

Name	Function	Date Hire

Signature: Martin Laborde
Title: Vice President

Date: October 30, 1979

NOTICE

Title